

## Message Text

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17

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 EA-06 IO-10 ISO-00 AID-05

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00

XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01

NSC-05 SS-15 STR-04 CEA-01 INT-05 GSA-01 /108 W

----- 033790

P R 060630Z MAY 75

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC PRIORITY 4610

INFO AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS UNN

USDEL MTN GENEVA

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MEXICO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS UNN

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY SEOUL

AMEMBASSY VIENNA

LIMITED OFFICIAL USE STOCKHOLM 2204

E.O. 11652: N/A

TAGS: EIND, ETRD, SW

SUBJECT: ASSESSMENT OF SWEDISH STEEL MARKET CONDITIONS

REF: STATE 95936

1. FOLLOWING INFORMATION AND EMBASSY COMMENTS ARE BASED

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LARGELY ON DATA OBTAINED FROM THE SWEDISH IRONMASTERS (STEEL

PRODUCERS) ASSOCIATION (HANS VON DELWIG, DIRECTOR). DATA  
AND COMMENTS FOLLOW REFTEL OUTLINE.

2. BASIC STATISTICS:

PRODUCT DESCRIPTION	1974 ACTUAL	1975 PROJECTED
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RAW STEEL PRODUCTION	5,989,000	6,100,000
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RAW STEEL CAPACITY UTILIZATION	85 PERCENT	86 PERCENT
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FINISHED STEEL PRODUCTION	4,313,000	4,600,000
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FINISHED STEEL CAPACITY UTILIZATION	89 PERCENT	93 PERCENT
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DOMESTIC CONSUMPTION - ACTUAL	4,500,000	4,500 -
	4,600,000	

DOMESTIC CONSUMPTION - APPARENT	4,600,000	4,550,000
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INVENTORY LEVELS FOR FINISHED

STEEL YEAR END DATA	1,600,000	1,600,000 \$\$
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FINISHED STEEL EXPORTS TO ALL

COUNTRIES	1,818,393	1,700,000
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FINISHED STEEL EXPORTS TO US	112,763	110,-115,000
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OF WHICH HIGH-CARBON STEELS	24,485	25,000
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OTHER SPECIALTY ALLOYED STEELS	54,916	54,000
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NOTE: \$\$ REPRESENTS FINISHED STEEL INVENTORIES HELD BY STEEL  
PRODUCERS, CONSUMING INDUSTRY (FABRICATORS), AND STEEL  
WHOLESALE MERCHANTS. DURING 1975 INVENTORIES OF MERCHANTS  
ARE EXPECTED TO DECLINE, WHILE INVENTORIES OF STEEL  
PRODUCERS ARE EXPECTED TO INCREASE BY CORRESPONDING  
AMOUNT.

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3. PRICE DATA. FROM 1973 TO 1974, FINISHED STEEL EXPORT  
PRICES ROSE BY AN AVERAGE OF 37 PERCENT; STAINLESS STEEL BY  
33 PERCENT; AND OTHER SPECIAL STEELS BY ABOUT 39 PERCENT.  
BEGINNING SUMMER OF 1974, PRICES HAVE FALLEN STEADILY BY  
BETWEEN 30 PERCENT AND 40 PERCENT, DEPENDING UPON GRADE OF  
STEEL. SHARPEST DECLINES OCCURRED FOR COLD-ROLLED STEEL  
PLATE AND SHEET; SPECIALTY STEELS DECLINED LEAST.

4. AS INDICATED IN PARA 2, SWEDISH STEEL ASSOCIATION DOES NOT EXPECT STEEL EXPORTS TO US TO RISE, IF ANY, THIS YEAR. DELWIG SAID THIS IS BASED ON HIS VIEW THAT US INDUSTRY DEMAND IS DEPRESSED AT PRESENT AND PROSPECTS FOR RAPID RECOVERY ARE UNCERTAIN; MOREOVER, THE WEAK DOLLAR SITUATION HAS CREATED COMPETITIVE DIFFICULTIES FOR SWEDISH INDUSTRY. ALSO, SWEDISH DOMESTIC DEMAND IS STILL STRONG AND THE INDUSTRY STILL HOPES FOR CONTINUED STRONG SALES TO NORWAY AND EVEN FINLAND, WHERE EXPORTED PRODUCTS DO NOT COMPETE WITH FINNISH PRODUCTS (E.G. HOT-ROLLED STAINLESS STEEL).

5. DELWIG ALSO COMMENTED THAT LARGE US IMPORTS OF STEEL DURING FIRST QUARTER PROBABLY REFLECTED ORDERS PLACED EARLIER IN ANTICIPATION THAT U.S. COAL STRIKE COULD AFFECT SUPPLIES OF STEEL. PRICE INCREASE OF STEEL IN 1974 ALSO MAY HAVE REFLECTED THIS ANTICIPATION.

6. SWEDISH INDUSTRY MEETS ABOUT ONE-HALF OF TOTAL ORDINARY STEEL NEEDS FROM IMPORTS; FOR ALL TYPES OF STEEL, THE PERCENTAGE IS SLIGHTLY LOWER.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL, IMPORTS, PRODUCTION DATA  
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**Copy:** SINGLE  
**Draft Date:** 06 MAY 1975  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
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**Disposition Event:**  
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**Disposition Reason:**  
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**Film Number:** D750157-1210  
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